

SENATE JOINT RESOLUTION NO. 17

INTRODUCED BY LIND

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA ENCOURAGING RENEWABLE ENERGY DEVELOPMENT; AND URGING THE UNITED STATES CONGRESS TO SUPPORT THE RENEWABLE ENERGY PRODUCTION INCENTIVE PROGRAM AND PRODUCTION TAX CREDIT PROGRAM.

WHEREAS, renewable energy supply brings fuel diversity benefits and mitigates market dominance by a very few energy fuel types in the nation's mix of energy supplies, enhances national security by reducing dependence on imported fuels, and decreases environmental impacts compared to traditional methods of electricity generation; and

WHEREAS, increasing public preference and consumer demand support renewable energy generation and product development and commercialization; and

WHEREAS, renewable energy production costs have progressively declined and performance has steadily improved and promises continued improvement; and

WHEREAS, encouraging use of renewable energy resources has been an important national goal since the passage of the Energy Policy Act of 1992; and

WHEREAS, the United States Congress established the Renewable Energy Production Incentive (REPI) Program, in the Energy Policy Act of 1992, to provide direct payments of 1.5 cents per kilowatt hour to any public, not-for-profit utility for energy it produces through new renewable energy projects brought online between October 1993 and September 30, 2003, during the first 10 years of the utility's operation; and

WHEREAS, the United States Congress also established the Energy Production Tax Credit (PTC) Program, in the Energy Policy Act of 1992, to provide a wind production tax credit of 1.5 cents per kilowatt hour for electrical energy produced from a new facility brought online after December 31, 1993, and before July 1, 1999, for the first 10 years of the facility's operation; and

WHEREAS, the United States Congress has extended and expanded the PTC Program three times over the past 6 years, in 1999, in 2001, and again in 2004, but each time Congress has allowed the credit to expire before acting and has then approved only short-term extensions; and

WHEREAS, funding for the REPI Program has remained far below the level needed to maximize the

1 potential of the incentive, supporting only a fraction of the qualified renewable energy projects that apply each
2 year; and

3 WHEREAS, authorization for the current REPI Program expired on September 30, 2003, and
4 authorization for the current PTC Program expires on December 31, 2005; and

5 WHEREAS, given the 2-year or 3-year lead time required for bringing facilities online, the expiration of
6 the REPI and PTC Programs is currently slowing the implementation of hundreds of megawatts worth of future
7 projects and is frustrating plans to build new turbine manufacturing facilities that could supply these projects; and

8 WHEREAS, failure to extend the REPI and PTC Programs means that contracts will be put on hold,
9 workers will be laid off, and the growing momentum toward developing renewable energy markets will again be
10 brought to a halt; and

11 WHEREAS, additional renewable technologies could also benefit from a production incentive or tax
12 credit, just as solar, wind, geothermal, closed-loop biomass, and poultry waste have done through the existing
13 REPI and PTC Programs; and

14 WHEREAS, tradable tax credits for renewable energy, consisting of a production tax credit that a public
15 or consumer-owned utility can accrue by developing and owning a renewable energy facility and then selling
16 to the private sector, will:

17 (1) facilitate public/private partnerships;

18 (2) benefit not-for-profit utilities by providing an alternative to the potentially underfunded REPI Program;

19 (3) benefit private sector partners that wish to support renewable energy by providing tax credits against
20 existing tax liabilities; and

21 (4) further facilitate the development of renewable energy in our region.

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23 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF
24 THE STATE OF MONTANA:

25 That the United States Congress be respectfully urged to:

26 (1) acknowledge the value of the REPI and PTC Programs to the continued development and
27 commercialization of renewable energy technologies, industries, and markets;

28 (2) approve, at a minimum, a 10-year extension of the PTC Program until December 31, 2015, and the
29 retroactive 10-year extension of the REPI Program that was included in the proposed conference report of the
30 Energy Policy Act of 2003;

1 (3) expand the eligible resources for the REPI Program to include landfill gas and extend the benefits
2 to additional public utilities and tribes;

3 (4) expand the resources eligible for the PTC Program to include geothermal, solar, and both animal
4 and forest waste as biomass feedstocks;

5 (5) authorize tradable tax credits for renewable energy; and

6 (6) act on this issue immediately, regardless of whether or when comprehensive energy legislation is
7 taken up for consideration.

8 BE IT FURTHER RESOLVED, that copies of this resolution be sent by the Secretary of State to the
9 Honorable George W. Bush, President of the United States, the President of the United States Senate, the
10 Speaker of the United States House of Representatives, and each member of the Montana Congressional
11 Delegation.

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